

FISCAL NOTE

HB 3899 - SB 3943

March 12, 2006

SUMMARY OF BILL: Requires any excise tax levied upon dealers for the possession of unauthorized substances, either actually or constructively, be done so upon conviction.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues – Exceeds \$100,000
Increase State Expenditures - \$1,750 One-Time

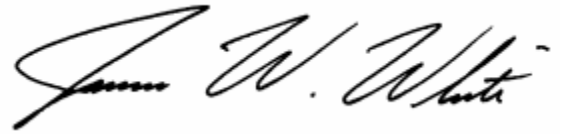
Decrease Local Govt. Revenues – Exceeds \$100,000

Assumptions:

- Enactment of this bill would change the levying dates of taxes, interest, and penalties owed by dealers for unauthorized substances from the time of possession to the time of conviction.
- Currently, the tax is imposed solely on the possession of such substances for which no tax stamps have been purchased from the Department of Revenue (DOR).
- The DOR estimates that the time frame for collecting these taxes will change from the current 48 hours to several months, perhaps years, until a conviction is handed down.
- During this time, dealers would probably disperse their assets, including assets that would be used to pay unauthorized substances tax.
- 75% of unauthorized tax revenue is apportioned to the state or local law enforcement agency that conducted the investigation.
- The fiscal impact of this bill is difficult to determine, but is estimated to exceed \$100,000 per year for state and local governments.
- Enactment of this bill would require a one-time state expenditure estimated to be \$1,750 for software enhancements for the DOR.
- This act shall take effect on July 1, 2006.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director